GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:850
ANSWERED ON:27.07.2000
PRIVATISATION OF TRANSMISSION AND DISTRIBUTION OF POWER
MADHAVRAO SCINDIA;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of POWER be pleased to state:

(a) the progress made so far in pursuance of the Government`s policy decision regarding privatisation of transmission and distribution (T&D) of power in different sectors, following the amendment in the Power Act; and

(b) the details of Transmission and Distribution of losses likely to be reduced by way of privatisation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a): The Electricity Laws (Amendment) Act, 1998 (Act No.22 of 1998) recognizes Transmission as a separate activity and provides for grant of transmission license to any person. Power Grid Corporation of India Ltd. as the Central Transmission Utility has identified the transmission system for evacuation of power from Tala Hydro Electric Project in Bhutan (1020MW) for execution through Joint Venture arrangements and for this purpose POWERGRID is setting up a Joint Venture Company.

POWERGRID has also identified projects to be taken up with 100% equity participation from the private investor as an Independent Power Transmission Company (IPTC). The IPTC will be selected on the basis of tariff based bidding.

The decision for privatisation of transmission and distribution lines in the state sector is to be taken by the appropriate agencies in the States.

(b): Participation of private sector in the field of transmission and distribution is expected to result in greater investment and efficiency in this area and in reduction of transmission and distribution losses in the States.